

INFORMATION BULLETIN #56

SALES TAX

DECEMBER 2002

(Replaces Bulletin #56 dated May 31, 1985)

DISCLAIMER: Informational bulletins are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules and court decisions. Any information that is not consistent with the law, regulations or court decisions is not binding on either the Department or the taxpayer. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.

SUBJECT: Time Limitation for the Issuance of Assessments

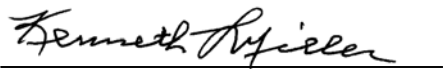
REFERENCE: IC 6-8.1-5-2

IC 6-8.1-5-2 sets forth the time limitation for the issuance of assessments. The Department of Revenue must issue an assessment within three (3) years of the latter of the due date of the return, or, in the case of a return filed for the state gross retail tax, the end of the calendar year which contains the taxable period for which the return is filed.

If a person files a fraudulent, unsigned, or substantially blank return, or does

not file a return, there is no time limit within which the department must issue its proposed assessment. If the blank is completed with a zero, and it is determined that substantial use tax liabilities exist, the department will consider the issue of fraud. If fraud appears to exist, the limitation again will not apply.

The three (3) year limitation is inapplicable regarding those individuals found to have the responsibility to remit the sales or use taxes of a corporation or partnership as long as the corporation or partnership receives notice of the assessments within the time limits; additional notice is not required.

A handwritten signature in black ink, reading "Kenneth L. Miller", is positioned above a horizontal line.

Kenneth L. Miller
Commissioner